

MARY ANN SMITH  
Deputy Commissioner  
SEAN M. ROONEY  
Assistant Chief Counsel  
JUDY L. HARTLEY (State Bar No. 110628)  
Senior Counsel  
Department of Business Oversight  
320 West 4<sup>th</sup> Street, Ste. 750  
Los Angeles, California 90013-2344  
Telephone: (213) 576-7604  
Facsimile: (213) 576-7181

Attorneys for Complainant

BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
OF THE STATE OF CALIFORNIA

In the Matter of:	)	CFLI License No.: 603-J300
	)	
THE COMMISSIONER OF BUSINESS	)	ACCUSATION
OVERSIGHT,	)	
	)	
Complainant,	)	
	)	
vs.	)	
	)	
AFH HOLDING AND ADVISORY, LLC,	)	
	)	
Respondent.	)	
	)	
	)	

The Complainant is informed and believes, and based upon such information and belief, alleges and charges Respondent as follows:

**I**

**Introduction**

1. AFH Holding and Advisory, LLC ("AFH") is licensed by the Commissioner of Business Oversight ("Commissioner" or "Complainant") as a finance lender pursuant to the California Finance Lenders Law ("CFLI") (Fin. Code §22000 et seq.). AFH has its principal place of business located at 269 S. Beverly Drive, Suite 1600, Beverly Hills, California 90212.

**II****Failure to Meet Net Worth Requirements**

2. Pursuant to Financial Code section 22104 of the CFLL, all lenders and/or brokers licensed under the CFLL are required to maintain a net worth of \$25,000.00.

3. Pursuant to Financial Code section 22159, all licensees under the CFLL are required to file with the Commissioner an Annual Report that details its CFLL activities and also includes a financial statement for the calendar year ended December 31. On or about April 13, 2016, AFH filed its Annual Report for the calendar year 2015 with the Commissioner. The 2015 Annual Report revealed that AFH had a net worth deficiency of \$25,000.00.

4. On or about August 9, 2016, the Commissioner made written demand on AFH to submit a balance sheet for the period ended June 30, 2016 showing compliance with the net worth requirements of Financial Code section 22104 on or before August 26, 2016. AFH did not submit a balance sheet for the period ended June 30, 2016 as demanded.

5. On or about September 29, 2016, further written demand was sent to AFH to submit a balance sheet for the period ended September 30, 2016 showing compliance with the net worth requirements of Financial Code section 22104 on or before October 4, 2016 or the Commissioner would commence revocation proceedings. AFH has yet to submit a balance sheet or any other financial statement that evidences compliance with the net worth requirements of Financial Code section 22104.

**III****Revocation Statute**

6. Financial Code section 22714 provides in pertinent part:

(a) The commissioner shall suspend or revoke any license, upon notice and reasonable opportunity to be heard, if the commissioner finds any of the following:

(1) The licensee has failed to comply with any demand, ruling, or requirement of the commissioner made pursuant to and within the authority of this division.

(2) The licensee has violated any provision of this division or any rule or regulation made by the commissioner under and within the authority of this division. . . .

**IV**

**Conclusion**

7. The Commissioner finds that, by reason of the foregoing, AFH has violated Financial Code section 22104, and based thereon, grounds exist to evoke the finance lender license of AFH pursuant to Financial Code section 22714.

**V**

**Prayer**

WHEREFORE, IT IS PRAYED that:

Pursuant to Financial Code section 22714, the finance lender license of Respondent AFH Holding and Advisory, LLC be revoked.

Dated: October 12, 2016  
Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

By \_\_\_\_\_  
Judy L. Hartley  
Senior Counsel  
Enforcement Division